



Avalara

THE MARKETPLACE PLAYBOOK

Strategies For Best-In-Class
Digital Commerce & Customer Experience

INTRODUCTION

The online marketplace model is incredibly popular amongst shoppers and, for many, their first stop when shopping for products online. While one-size-fits-all shopping destinations streamline the browsing process for consumers, it can be incredibly challenging for brands to both stand out as well as own the customer experience on these platforms. As a result, it's critical for sellers to leverage the right tools and tactics to ensure their products are discoverable on these sites, shoppers have the confidence to buy and their backend operations are able to meet customer demand.

To succeed on both popular marketplaces like Amazon, Alibaba and eBay and more niche channels, leading sellers are actively considering the nuances of each platform and utilizing key strategies to capture consumer attention and drive them to purchase. Through multifaceted approaches that prioritize SEO and marketing, product experience and modern payment structures, along with streamlined inventory, fulfillment and data analytics, businesses can distinguish themselves from the competition.

Large public marketplaces continue to perform, with the top 20 publicly traded marketplaces increasing market cap by approximately 60% in 2020 alone. On the seller side, 46% of American companies now rely on marketplaces for their online sales—and that figure grows to 59% for European companies—signaling the growing demand for marketplaces within retailers' digital commerce strategy.

While marketplaces offer a pipeline to more customers and the infrastructure to get started, they're not a set it and forget it retail strategy, requiring ongoing management and refinement to optimize merchandise, pricing and shipping. On top of that, most successful sellers operate on multiple marketplaces, selling across state and country borders, adding layers of complexity around tax and customs calculations. As marketplaces look to attract more businesses and sellers look to grow their customers and sales, finding solutions to these challenges, whether through automated tools or third-party partnerships, is paramount.

For today's omnichannel consumer, every step in their purchase journey from search and product engagement to payment and delivery must be seamless and intuitive. To deliver a consistently positive shopper experience and drive repeat engagement, sellers must embrace new strategies for success. Within the research

stage, that means ensuring products are easily discoverable within consumers' preferred channel, and that each product page inspires confidence and trust through featured reviews, authentic user generated content, and even personalized related product recommendations. At checkout, automation-backed processes support frictionless transactions and prevent cart or even consumer abandonment, while post-purchase, the ability to quickly and transparently fulfill and deliver orders now relies on direct supplier relationships, and the application of AI and machine learning to streamline the last mile. To support each of these strategies, sellers' access to connected data streams across inventory, sales trends, teams and consumers is integral, allowing not only for the continuous backend optimization necessary to deliver on consumer expectations, but also the ability to test, update and refine existing product, sales and marketing efforts, and inform ongoing innovation and decisions.

ABOUT THIS REPORT

This digital marketplace report will help marketplaces and their sellers of any size and scale understand how to optimize their digital marketing and selling strategies, as well as stand out and engage consumers within these commerce platforms. Along with six strategies for marketplace success, learn about best practices for effectively optimizing online commerce through SEO, competitive pricing, digital product placement, and fulfillment within the marketplace landscape, and how sellers can optimize their operations throughout the end-to-end consumer journey.



PIERS FAWKES
PSFK
Founder & President

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FOREWORD

Digital commerce has evolved significantly in recent years as more brands turn to ecommerce to reach customers and expand sales channels. In 2020 alone, McKinsey estimated that 10 years of ecommerce acceleration happened in the span of three months. However, of all the change that has occurred across ecommerce, the adoption and expansion of marketplaces has had a substantial impact on the ecommerce strategies for sellers of all sizes and all industries.

The rise of marketplaces like Amazon, Alibaba, and Etsy has been driven by a culmination of trends and factors, including major shifts in consumer preference and behavior. Even before the COVID-19 pandemic accelerated consumer preference toward ecommerce, consumers were already demanding personalized, convenient, and streamlined shopping experiences across channels. Because of this shift, marketplaces have become an ideal channel for online shopping because of the breadth and depth of options and industry-leading fulfillment services.

In response to these shifts in consumer behavior, retailers and online sellers are flocking to marketplaces in droves and, in some cases, adapting their existing online presence to the marketplace model. From cosmetics brands to clothing retailers, businesses are standing up their own versions of marketplaces to

draw on consumer preference and create communities within their own brands. It seems that everyone wants to be a marketplace or be involved on one in some way. So, if every brand is taking similar steps toward marketplaces, how can sellers work to stand out among the competition?

Because of the omnichannel nature of commerce, we know that consumers expect personalization and convenience throughout the entire shopping journey – regardless of the channel. Marketplaces create a foundation for sellers to provide positive experiences, but still require strategy and management to most effectively serve customers. To maximize the effectiveness of marketplaces and distinguish your brand apart from others, marketplaces and sellers alike must take a multifaceted approach that touches each aspect of the marketplace experience.

Effective marketplace strategies should include everything from searchability to page optimization to payments. For marketplaces, providing third-party sellers with access to technology integrations to improve each stage of the customer journey is key. For example, providing tax compliance software to accurately manage the calculation of tax on transactions for sellers helps improve conversion rates through accurate totals and maintain compliance for the marketplace.

FOREWORD

For sellers, understanding how marketplace platforms work from start to finish is key in having products stand out to consumers amidst a sea of options. For example, tailoring content to include reviews and offering customer incentives can help product pages appear more regularly to consumers and keep them coming back.

Marketplaces will continue to become a core tenant of ecommerce strategy moving forward. As retailers adopt marketplaces as part of their strategy, they will need to consider how the channel fits into an overarching ecommerce strategy and how they can effectively manage transactions and customer data across points of sale. For marketplaces, providing next generation technologies to enable sellers to reach customers on the platform will be essential in acquiring new merchants and bringing customers to the platform. Sellers with the most effective marketplace strategies will continue to be the winners in the next generation of ecommerce as consumers continue to shop more online and demand more of their online experiences.



Megan Higgins
Avalara
VP and GM, Ecommerce
and Marketplaces

SURVEYING THE MARKETPLACE LANDSCAPE

THE DIGITAL-FIRST CONSUMER

Shoppers turn to digital commerce for its always-on nature and convenience, with expectations for intuitive browsing, frictionless checkout and speed of delivery. Coupled with an increased desire for one-stop shopping, competitive pricing and enhanced personalization, marketplaces sales are surging.

Digital is becoming the preferred channel for a majority of shoppers with marketplaces taking an increasingly bigger role in product search, discovery and sales.

As of August 2020, a majority share of consumers are now taking to marketplaces first when shopping online. 53% of US adults said they began product searches at Amazon when planning to make a digital purchase. 23% are using search engines like Google and Bing, 16% prefer going directly to a brand or retailer's website, and 8% are using other marketplaces.

"Where do US consumers begin their product searches?" eMarketer, 2020

44% of consumers who discover a brand on a marketplace ultimately visit that brand's website to make subsequent purchases.

"What are the top online marketplaces?" Digital Commerce, 2020

With increased reliance on digital shopping, consumer reviews are invaluable to other consumers.

When it comes to influences on purchase decisions, 90% of Millennials, 84% of Gen Xers and 77% of Baby Boomers say they are influenced by customer reviews.

"Study: Millennials may be impulsive shoppers, but they plan ahead." Chain Store Age, 2020

If trust in a brand is lost, 85% of consumers will avoid it. Leading causes include dishonest brand/product information (55%), and brands having fake and fraudulent reviews (43%).

"Consumers call for action on fake reviews."

Bazaar Voice, 2020

Consumers expect greater personalization throughout the shopping journey and are increasingly willing to share data to receive it.

When asked which sites or apps consumers would be most willing to share their personal data with for a more personalized ad experience, 58% of US adults selected digital shopping platforms such as Amazon, followed by social media at 41%.

Context Is the New Black: How Advertisers Can Navigate the Consumer Privacy Landscape. Integral Ad Science, 2020

36% of customers consider a company's ability to provide relevant recommendations for additional products and services after a single purchase to be a basic standard.

Proving The Value In CX. Forbes Insight, 2020

SURVEYING THE MARKETPLACE LANDSCAPE

SHIFTING OMNICHANNEL PRIORITIES

As brands and retailers attempt to meet today's digital-first consumer on their preferred channels, the appeal of marketplaces continues to grow. Along with greater reach, these platforms offer the promise of seamlessly integrated tools and services, access to customer data and analytics and fulfillment support to enhance the selling experience.

Marketplaces are an increasingly important component of omnichannel sales strategy.

“People want to monetize their audiences without expending more capital and holding more inventory and, increasingly, marketplaces are a good way to do that.”

[Saad Siddiqui, Founder & CEO, Bonsai](#)

“The message is clear: if you can't beat 'em, join 'em. As the world becomes a smaller place and the technology gap between the big ecommerce marketplaces and everyone else grows ever wider, we recommend that CPG brands avoid following the crowd on mass personalization and instead focus on implementing an effective marketplace strategy.”

[Deren Baker, CEO, Edge by Ascential](#)

“We're in the early days of a tectonic shift toward marketplace commerce. Just as the last decade saw the rise of Warby Parker, Dollar Shave Club and other digitally native vertical brands, this decade will see the rise of a new generation of marketplace-native brands.”

[Sebastian Rymarz, Co-founder and CEO, Heyday](#)

“The industry is definitely moving toward a marketplace model. There's a lot of inventory out there, and people are looking to marketplaces to move it for them — especially because traditional wholesale models are struggling so much. For brands, you look for more places to get distributed because there are few other options out there with department stores closing. And no one will buy inventory outright from you, because it gets harder to move as time goes on.”

[Matt Scanlan, Founder, Naadam](#)

Data and analytics are big priorities as companies look to deliver against consumers' expectation for personalization and relevance.

“We've doubled down on data and customer insights more than ever before because customer behavior is changing so much. You have to keep your eye on the pulse of those customers.”

[Cindy Davis, Vice President and Chief Brand Officer, Bed Bath & Beyond, 2020](#)

“We're talking more about Consumer Data Platforms because it is all about this 360-degree view of the customer and being able to activate that information in a very personalized way, at scale, in real time. That is what has changed and why there's an investment and movement in the industry.”

[Michael Kingston, Chief Technology Officer, L'Oréal U.S.](#)

6 STRATEGIES FOR MARKETPLACE SUCCESS

1 SEO, DISCOVERY & RESEARCH

Align your discovery strategy with consumer expectations by first integrating immersive tools into customers' preferred search channels, and then meeting them with the contextual suggestions they expect once they arrive.

2 PRODUCT PAGE EXPERIENCE

As the main destination for consumers to discover, converse with and ultimately fulfill purchases with a marketplace seller, the product page experience is an integral part of not only creating consumer relationships but showcasing them as well, and demands consistent maintenance and updating.

3 CHECKOUT & PAYMENTS

Deliver the most frictionless checkout experience possible by automating and streamlining backend processes.

4 MERCHANDISING & FULFILLMENT

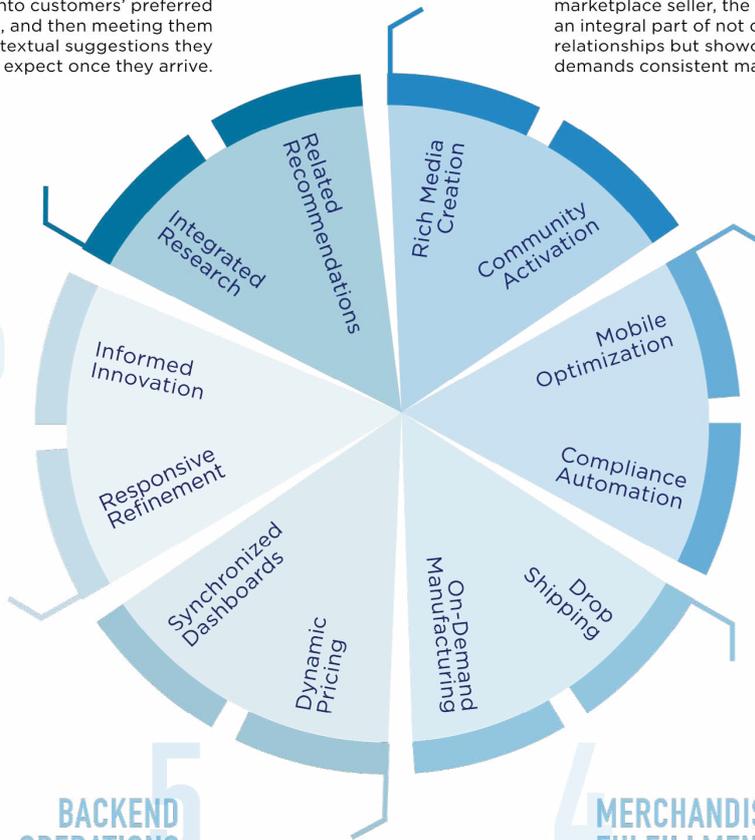
Directly partner with suppliers to meet consumer demand for fast and free delivery, and win loyalty within a saturated marketplace landscape by leveraging supplier partnerships, AI and machine learning to streamline the last mile.

5 BACKEND OPERATIONS

Connect inventory, sales trends, teams and data within a single view to provide teams and tools the ability to act in real-time, and continuously update pricing and availability.

6 ANALYTICS & REPORTING

Automated services and algorithm-based tools necessary for capturing consumer insights are main considerations in any marketplace strategy. As a merchant looks to scale, these tools and third-party vendors will help to update and refine existing product, sales and marketing efforts, as well as inform ongoing innovation, and allow for continuous CX improvement.



01
STRATEGY 01

SEO, DISCOVERY & RESEARCH

Align your discovery strategy with consumer expectations by first integrating immersive tools into customers' preferred search channels, and then meeting them with the contextual suggestions they expect once they arrive.

Best Practice:

- Integrated Search
- Related Recommendations

STRATEGY 01

SEO, DISCOVERY & RESEARCH

The search function is becoming the most important part of marketplace design. For today's consumers, the discovery process is more likely to take place within the context of a social media feed or a third-party site than a brand's homepage or store, which has forced brands in all categories to rethink how they engage with consumers at the top of the funnel. Companies are responding by creating interactive marketing content that reaches potential buyers where they are online, allowing consumers to not only learn more about a product or service but take the next step in their journey like connecting with a business or scheduling an appointment.

Further, retailers and marketplaces are leveraging search data to create greater relevance for consumers, and develop more personalized relationships. By applying proprietary algorithms and machine learning to consumers' search history and preferences, marketplaces are able to continuously provide a more curated discovery experience each time customers return.

“73% of consumers who are shopping online more since the pandemic plan to continue doing so in the future.”
[“Customer Loyalty Programs Done Right: How To Hook New Customers and Strengthen Relationships.” Software Advice, 2020](#)

“I don't think the world needs another Amazon. I think the world needs more of a curated product selection that shows you the brands that you like, the products that you like, the categories that you're interested in and tries to just cut through the noise of product and brand discovery by understanding what you're interested in and/or looking for.”
[Taylor Sicard, Co-founder, Win Brands Group](#)

01

SEO, DISCOVERY & RESEARCH **INTEGRATED SEARCH**

As content dominates the online sphere, brands and platforms are taking notice, turning simple discovery occasions into shoppable ones. Brands and retailers can leverage established and burgeoning platforms alike to facilitate casual interactions with their content as well as streamline consumers' path from inspiration to purchase.



GOOGLE SHOPPING

Online search engine Google revamped its mobile shopping experience, improving its location-based product searches that allow shoppers to locate items at specific stores in their local area. By searching for a product and clicking the ‘nearby’ feature, shoppers can see a real-time view of inventory in stock at local retailers, with a map view showing the stores’ opening hours. Other new Google Shopping features include product comparisons, price tracking alerts and Google Lens style ideas.

shopping.google.com

FACEBOOK MARKETPLACE

To improve its online shopping experience, Facebook Marketplace’s machine learning-based system GrokNet helps sellers to better tag their listed items by identifying specific product attributes across billions of images within categories like fashion, auto, and home goods. When a seller uploads an item, GrokNet will automatically suggest attributes like color and materials, making the item more easily searchable. When buyers search within the marketplace, these detailed descriptions allow for tailored results, quickly connecting customers to the exact product they are searching for.

ai.facebook.com

PINTEREST X MICROSOFT EDGE

Through a partnership with Pinterest, Microsoft Edge browser users can opt in to receive suggestions from Pinterest spanning apparel, home goods, furniture and more within their browser’s sidebar related to their search. Each suggestion pin is linked back to a board of similar, trending pins, and users can choose to save a pin for later within their own board, or click through to a retailer’s Pinterest shop to learn more and ultimately checkout.

newsroom.pinterest.com

01

SEO, DISCOVERY & RESEARCH **RELATED RECOMMENDATIONS**

Knowing that customers often shop for a “bundle” of products to solve for a particular need, sellers are combining AI and human expertise to suggest the right products, accessories and services. By leveraging past purchases, saved preferences and popular search trends these recommendations can be further tailored to each shopper, contributing to better customer experience and full baskets.



THE YES

App-based shopping platform The Yes creates tailor-made experiences for users through its machine learning capabilities. The Yes app uses algorithms to create each user's style and shopping preferences based on simple "yes" or "no" answers to fashion related questions. Results are based on replies and the "yes" items go directly into your personal, curated feed on the app. Items that appear within a users feed will depend on their answers as well as what they're looking at and buying. Additionally, users will see items that similar shoppers have been liking, as well as their own friends' finds within the app should they choose.

theyes.com

HARRY ROSEN

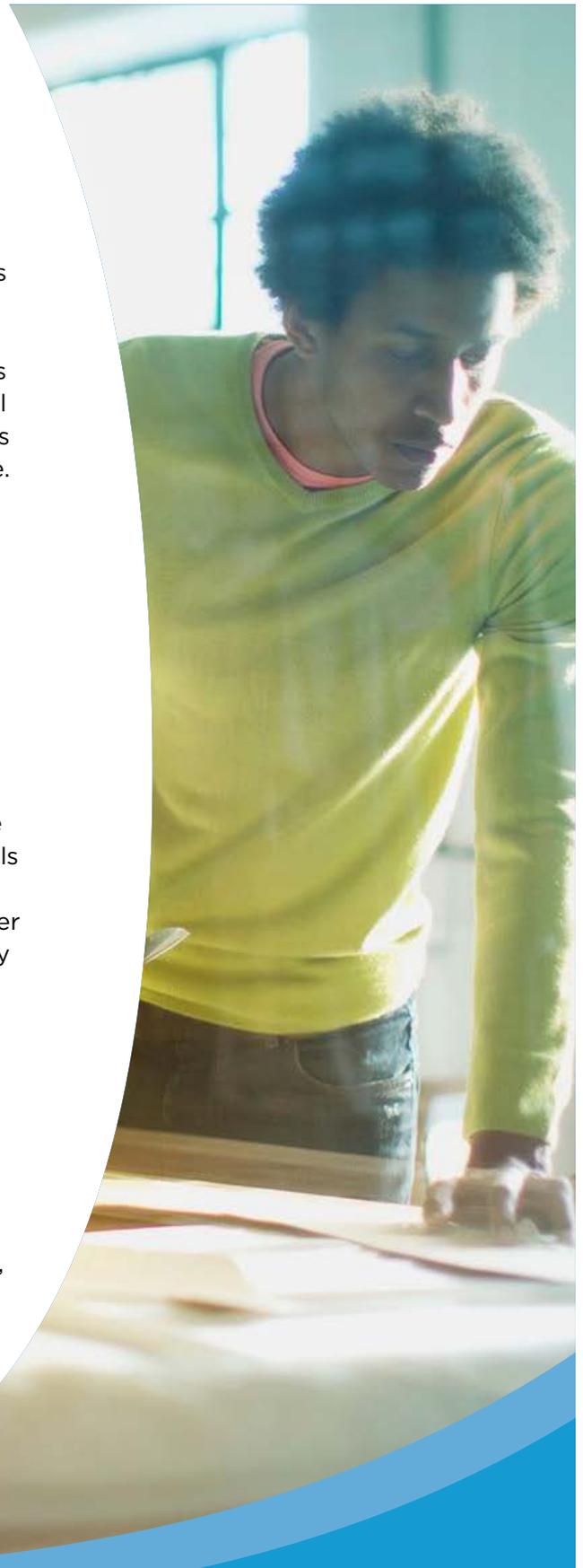
By translating one-on-one client-adviser relationships out of the store and moving it to text and web-based interactions, Canadian menswear retailer Harry Rosen is providing customers with the curated selections tailored to their needs within custom webpages. Customers first reach out to a Harry Rosen associate through text to share their preferences and what they're looking for. Those details along with any past order data are then used to create curated looks and custom product pages for each customer within a CRM-connected mobile app. Looking ahead, Harry Rosen plans to build out its digital experience, leveraging its digital profiles to offer highly personalized cross-selling recommendations post-purchase.

harryrosen.com/en/expert-advice

STITCH FIX

AI-based personal styling service Stitch Fix updated its styling algorithms to create its feature "Shop Your Looks." Now, rather than be recommended single items to trial each month, Stitch Fix members are able to view entire outfits curated based on gathered data points including past purchases and selections their stylists have previously chosen.

stitchfix.com



01 SEO, DISCOVERY & RESEARCH

WHAT THIS MEANS FOR SELLERS

- Engage consumers at the research and discovery stage by positioning advertisements and marketing efforts within the channels, from social to search engines and AI tools, that consumers now rely on.
- Understand best practices within each marketplace, whether mass or niche, regarding discoverability, SEO product research practices.
- Continuously evolve search and discoverability strategies to align with specific marketplaces in time and at the speed of market.
- Offer upsell, cross-sell and related-sell opportunities by leveraging consumers' profiles, preferences, past purchases and recent searches to merchandise frequently purchased products and accessories, and make more relevant or personalized recommendations within the discovery and research stage.
- Consider partnering with business analytics vendors to ensure target messaging. Utilize tools that automate the process of taking granular data and making sure that customers receive the right type of marketing based on their typical interactions with you and your products.

WHAT THIS MEANS FOR MARKETPLACES

- Support sellers' by sharing best practices for search and discoverability within your marketplace. Whether SEO and product data is handled by sellers or through third-party vendors, connect sellers with the services that are easily integrated into a specific marketplace for best results, or the detailed guide to correctly tag and categorize each listing.
- Alert sellers as to where customers are discovering and arriving from most, whether search within the marketplace, third party, website or social channels.
- Provide personalized insights into how sellers can optimize their advertising strategies based on where and how their consumer is first discovering them.
- Partner with social channels and integrate search platforms and tools to allow for seamless product discovery, natural language conversations and image-based search.

AVALARA EXECUTIVES ON MARKETPLACE SUCCESS

What criteria should sellers be using when selecting a marketplace?

“The first question marketplace sellers should ask is, how easy is it to integrate into the platform? When evaluating marketplaces, look for factors like, how easy is it to get your product on there? How convenient it is to get your money out of there? It can be more difficult to get your money to you on some platforms compared to others. For example, Amazon can take up to 14 days if you’re a first time seller. Ultimately, delays in payments can be a huge cash flow issue for some sellers. Another question to ask is, how many sellers and buyers are on that marketplace? Competition can be a hurdle many sellers aren’t ready to tackle initially, so in addition, sellers need to ask themselves, how many people are selling my products there? How am I going to get to the top of that search and who am I competing against?”



George Trantas,
Sr. Director of Global Marketplaces

What is the number one priority that sellers should focus on improving?

“The number one thing sellers should focus on improving is item page content. Sellers should utilize the right tools to enhance each product details page with multiple images, rich media, customer reviews and keywords because this drives discoverability within the website, as well as SEO value. It also helps the customer make a more informed decision to purchase, choosing your product over a competitor.”



Linda Tom,
Director of Ecommerce Strategic Initiatives

“Content is probably the most important thing. If you follow the path that marketplaces give you, you should be off to a great start. Unfortunately, a lot of sellers skip out on taking advantage of these tools. eBay, Amazon, and others all say, “Here are the things you should fill out.” If you’re missing something in that framework, called structured data, you are going to lose. It’s not a matter of when, just a matter of how much you will lose.”

“The struggle for many sellers is that they have created content specific for a marketplace, not specific on how to sell the item in the real world. Now they’ve got 100,000 items created specifically to list on Amazon, Walmart, and other big marketplaces, but that content isn’t usable for an ecommerce website.”



George Trantas,
Sr. Director of Global Marketplaces

STRATEGY 02

PRODUCT PAGE EXPERIENCE

As the main destination for consumers to discover, converse with and ultimately fulfill purchases with a marketplace seller, the product page experience is an integral part of not only creating consumer relationships but showcasing them as well, and demands consistent maintenance and updating.

Best Practice:

- Rich Media Creation
- Community Activation

STRATEGY 02

PRODUCT PAGE EXPERIENCE

Choice defines today's digital commerce landscape. To better inform their purchase journey, consumers seek out trusted advice and reviews whether as part of the discovery phase or when making a final product decision. In order to stand out in an increasingly crowded marketplace landscape, encourage more audience engagement post-purchase by tapping into loyalty programs and social channels. By inviting high value customers to share user generated content in the form of ratings and reviews, sellers stand to gain a valuable source of data that can be mined to improve existing offerings or identify unmet needs for future R&D.

Beyond authentic user-generated content and reviews, today's digital-first customer equally expects to be met with an immersive product page experience. Rather than taking a standardized approach, interactive and descriptive content tailored to specific marketplaces, websites, and social channels not only contributes to confidence and credibility, but builds trust and increases consumers' willingness to complete their purchase. By offering a mixture of interactive or brand-reflective content, and authentic reviews within the product page, sellers are able to ultimately save consumers time as they sift through websites and marketplaces, but also provide them with content they enjoy.

“Enhanced content can increase your conversion rate by 10% across most categories, according to Salsify research. Additionally, top-performing products on Walmart use rich media 35% of the time, while bottom-performing products only use it 6% of the time.

[“How To Win On Walmart Marketplace.” Salsify, 2020](#)

“95% of shoppers read online reviews before making a purchase decision. Additionally, customers would spend 33% more on a purchase with a 5 star retailer vs one with average reviews.

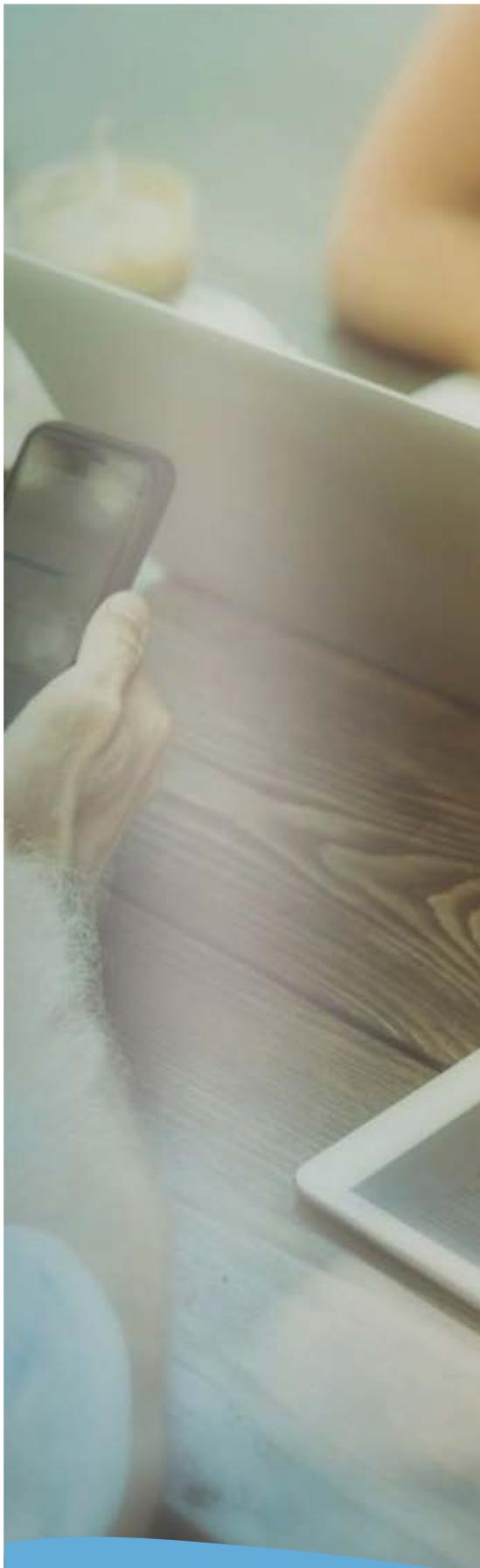
[Rise of the Review Culture. Brightpearl x TrustPilot, 2019](#)

02

PRODUCT PAGE EXPERIENCE **RICH MEDIA CREATION**

To provide rich media experiences in the form of content, brand imagery or marketplace-specific tools like live video or AR tools that provide customers with 3D product views or avatars for fit, marketplaces are providing sellers with the tools they need to embed interactive assets and information into the product page. As consumers increasingly embrace digital research outlets, the ability to create an immersive product exploration experience will continue to set successful sellers apart.





SPRINGBOT X MATCHA

Through its acquisition of Matcha, the first all-in-one blogging capability for ecommerce brands, automated marketing platform Springbot is supporting D2C brands' digital storytelling efforts. Matcha's blog creator, article marketplace and content analytics combined with Springbot's email, social, ads, and SMS marketing channels provides users with a communication platform that offers access to blogging tools and ecommerce templates, as well as the ability to easily embed products within content, segment content by audiences, and identify what content is winning with what audiences for greater product and resource optimization.

springbot.com, getmatcha.com

AMAZON LUXURY STORES

Available through its mobile app, ecommerce marketplace Amazon has partnered with luxury brands like Oscar de la Renta to create Luxury Stores. The shop-in-shop platform allows featured brands greater control over how their product are showcased than they would typically experience on a traditional marketplace, and provides them with the ability to dictate their assortment, their pricing, what is showcased when and the kind of customer service they'd like to provide and whether or not to utilize Amazon delivery or their own fulfillment services. Through the Luxury Stores platform, brands are able to create an immersive and brand-specific experience by featuring their own brand campaign imagery and videos, as well as provide a landing page for consumers to learn not only about a product, but the brand itself, and the craftsmanship behind it.

amazon.com/lux

NIKE

To encourage consumer confidence and reduce online returns, athletic footwear and apparel brand Nike introduced 3D holographic content into some of its ecommerce product pages on JD Sport and First Line. Nike Virtual View, created in partnership with Seattle-based tech company Omnivor, allows shoppers to select a hologram that matches their size and body type to view how select apparel items will appear in person by providing a 360-degree view. Along with apparel, Nike Virtual View will also be available for Nike footwear.

jdsports.com/nike

02

PRODUCT PAGE EXPERIENCE **COMMUNITY ACTIVATION**

As a way to keep customers involved between purchases and encourage them to develop a deeper-level of engagement, retailers and brands are moving beyond traditional loyalty programs to offer rewards for value-added activities that extend beyond a single transaction. By providing customers greater flexibility over how rewards are earned as well as applied, loyalty programs have become a valuable source of data concerning customer preference, as well as for delivering the personalized shopping experience expected today. From registering products and attending events to sharing personal data and product feedback, these next-gen programs provide customers with a greater sense of connection and control over their experience while building a personalized relationship between each shopper and the brand.



COACH X ALIBABA

During Single's Day 2020, a global shopping festival held annually on November 11th, luxury brand Coach created a gamified shopping experience that drove 100,000 plus new memberships over the course of the event. While virtually browsing Coach's NYC flagship store within Tmall Luxury Pavilion, Alibaba Group's ecommerce marketplace for luxury and premium brands, customers were able to earn redeemable points as they completed tasks, ranging from checking into the virtual Coach Pavilion store, sharing the brand's 11:11 campaign via social channels, and joining the brand's membership program. An hour into 11.11 presales, Coach had hit \$1.51 million in gross merchandise volume, and within an hour into the official kickoff, beat its full-day sales record from 2019.

amazon.com/arview

ADORE ME

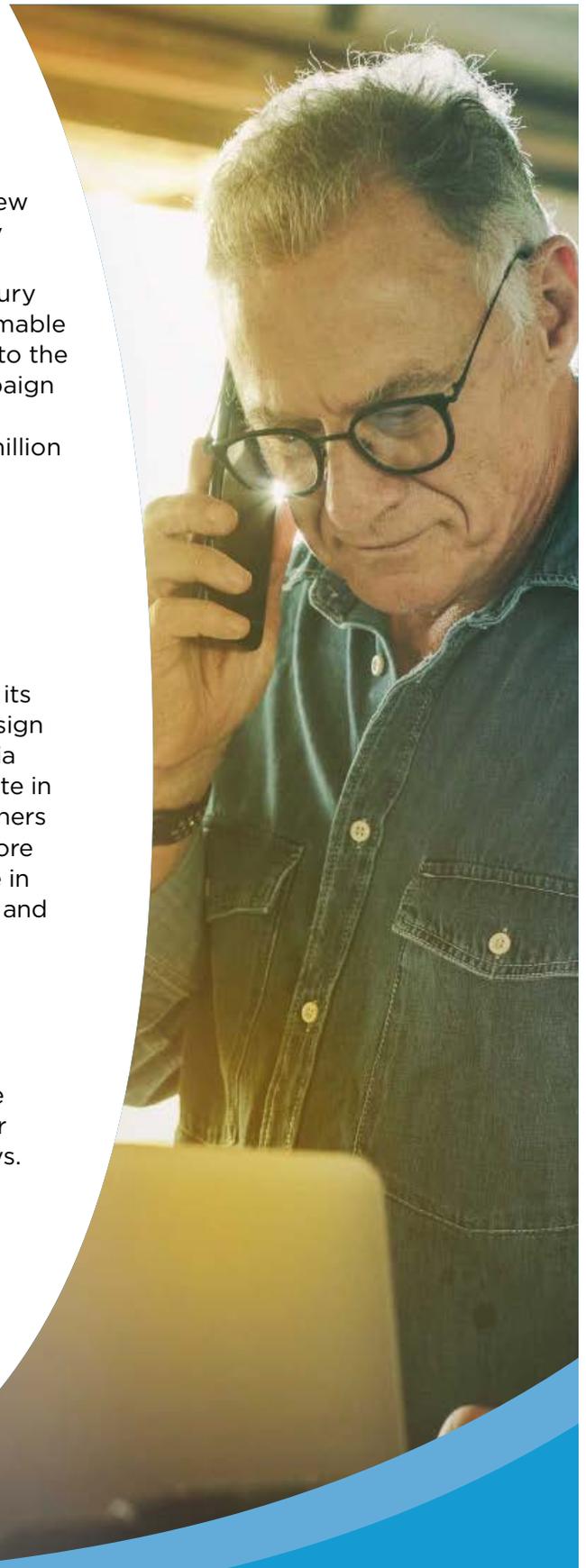
To encourage genuine fans and customers to become influencers for its brand, lingerie startup Adore Me created its self serve platform, Creators, where interested parties can sign up by submitting their contact information and social media profile links. Once selected, influencers sign up to participate in campaigns, for which they receive Adore Me product vouchers worth between \$150 and \$500 to use in the campaign. Adore Me provides each influencer overarching themes to include in the post, but influencers are free to post their own caption and photos without approval.

creators.adoreme.com

FOOD52

Digital culinary brand and online homegoods marketplace Food52 involves its community of over 16 million and their contributions to the brand and website in a variety of ways. To keep their community engaged, the online culinary website hosts a weekly recipe competition, where home-grown chefs can comment on and review those that are chosen to be featured on the website. Similarly, a community-driven Food52 Facebook cooking and baking club generates cookbook reviews and tips and helpful advice for other members. And when Food52 set out to launch its own range of cookware and baking products, surveys conducted within their community led to a product line that reflected the real needs of the Food52 community.

food52.com/contests



02 PRODUCT PAGE EXPERIENCE

WHAT THIS MEANS FOR SELLERS

- Tailor your product page content to each sales channel, whether it's a marketplace, website or social platform. Understand what consumers are looking for and appreciate on each type of platform's product page—from product details and fit to live demonstrations, AR tools for 3D views or video content.
- Simplify the review process for customers, integrate feedback platforms or links directly into a product page.
- Leverage customer feedback as a business driver by encouraging customers to share their ideas for product or service improvements. Incorporate reviews into loyalty programs, rewarding customers for completing surveys, social media polls, or providing referrals.

WHAT THIS MEANS FOR MARKETPLACES

- To allow for more effective storytelling, partner with brands or sellers to create specialized content for the marketplace to feature, which can also be featured on the marketplace's marketing and social channels.
- Provide content creation tools, platforms and resources to help sellers succeed including training programs, educational courses and invite-only events for top sellers.
- Incorporate in-app live chat, where customers can share their experience with a product or brand in real-time, allowing brands to refine and adjust based on feedback.
- Create an online review management strategy. Take an omnichannel approach to monitor customer reviews across all digital channels, ensuring response levels and engagement are equally measurable across all conversational platforms.

POV FROM INDUSTRY EXPERTS



MAV FARM
Derek Siegel
Co-Founder & CEO

Through its marketplace Show, Mav Farm, a headless commerce* provider, helps brands to build their own stores within its marketplace, as well as engage with content creators like publishers, influencers, and everyday brand enthusiasts to create user-generated, shoppable social content. A video app, Show provides consumers with a feed of product videos that they can click through to a product page with more information about that product, along with more images, reviews, video reviews, try-ons of that product, even an AR try-on, if the brand enables that feature.

On the importance of imagery and content right now in the ecommerce experience:

I think investing in really good content is really important for brands. There are brands that are really dominant in imagery and content, and those tend to be fashion brands. They really rely on content and imagery to speak for their brand.

If you can actually engage your customers through native brand storytelling, rather than averting their attention through a piece of advertising that interrupts their consumption habits elsewhere that's really powerful. By leveraging influencers, brand ambassadors or publishers to create that engaging content for the end customer, you can more effectively sell your products.

The role of consumer data within Mav Farm's operations and client marketplace strategies:

Social commerce and shuffle media provides a lot of really helpful business intelligence. By studying video behavior, you might be able to understand certain trends, like what's the popularity of rap? Or maybe more specifically, black shoes over time. Maybe that's geolocated in a specific region.

That provides a lot of really great intelligence for your business, whether it be for planning marketing, product decisions, logistics, etc. Mav Farm provides a lot of that, and it's not only historical data, but also, we can provide that prescriptively or predictively as well, so understanding upcoming seasonal trends for example.

If you can actually engage your customers through native brand storytelling, rather than averting their attention through a piece of advertising that interrupts their consumption habits elsewhere that's really powerful.

*Headless Commerce is a separation of the front and back end of an ecommerce application, which allows customers to immediately view new content introduced on the front end, ensures the same viewing experience across all devices, and allows for any home page or product page designs to be updated in real time.

POV FROM INDUSTRY EXPERTS

How Mav Farm is supporting sellers and creating organic consumer relationships within their marketplace:

We partner with everyone from a fashion brand to a brick-and-mortar retailer to media publishers, like Hypebeast, to the brand ambassadors, influencers, celebrities, etc. The best use case of Mav Farm is finding businesses or individuals that you can collaborate with to help market your brand or your product in really innovative ways.

We do that primarily through video content, but also product collaboration. Here's a place where you can find collaborators that are best-suited for promoting your brand and selling your products through maybe video, or maybe through some sort of promotional tool, like a product drop as well. The network effects that we provide each customer are the true differentiator.

Ultimately, what that means is less reliance on paid advertising, having to get people to come to your direct-to-consumer website by relying on Instagram ads, Facebook ads, or any sort of performance marketing. Here, you're just creating organic relationships and partnerships through content.

Here's a place where you can find collaborators that are best-suited for promoting your brand and selling your products through maybe video, or maybe through some sort of promotional tool, like a product drop as well.

STRATEGY 03

CHECKOUT & PAYMENTS

Deliver the most frictionless checkout experience possible by automating and streamlining backend payment processes.

Best Practice:

- Mobile Optimization
- Compliance Automation

STRATEGY 03

CHECKOUT & PAYMENTS

Whether selling domestically or internationally, online sellers across all platforms face growing complexities related to the checkout experience, from item-, country- and state-specific taxes and fees to myriad of ongoing compliance regulations. In order to continuously provide shoppers with a seamless end-to-end shopping experience across all selling platforms and channels, third-party technology solution providers can help automate the process, creating an opportunity for e-tailers and online platforms to generate ongoing loyalty.

Consumers tend to only think about this part of the shopper journey when it doesn't go well. To prevent order abandonment and potential long-term loss of customers, sellers and the mass or niche marketplaces they partner with need to not only prioritize tax regulations, but provide the flexible checkout and mobile optimized checkout experience consumers now expect.

“ Among the top three annoyances that customers cited as driving down their online shopping happiness were pop-ups and ads (49%), the site crashing during checkout (48%) or when a discount code fails at checkout (45%). Consumers also were dissatisfied when the website or app went offline (23%) and when they couldn't find their desired items (42%).

[“State of Digital Happiness: Only 15% of Consumers Are Happy Shopping Online.” ContentSquare, 2020](#)

“ Consumers expect checkout to be frictionless, fast and secure. It is when [their payment preferences] are not available, they do not feel comfortable...or the process is clunkier than they might expect that we have opportunities to actually delight them by giving them options that will speed that process and make it faster, more secure and more frictionless.”

[Keala Gaines. Vice President of global payment services, eBay](#)

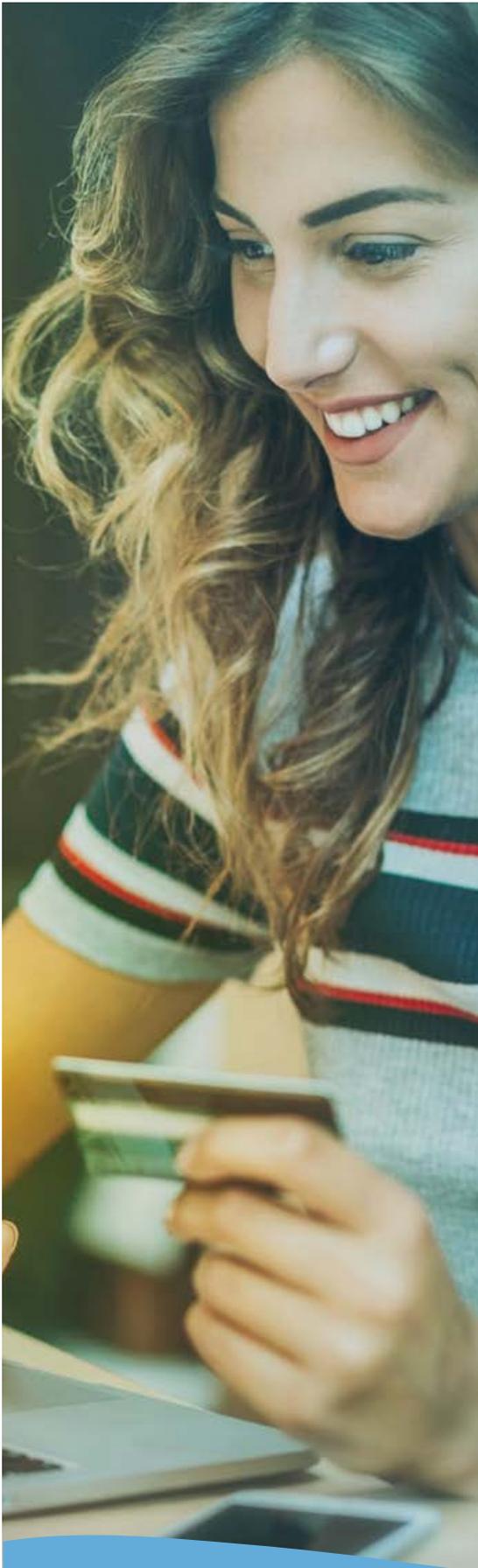
03

CHECKOUT & PAYMENTS

MOBILE OPTIMIZATION

Consumers are looking to their preferred brands to provide the tools and end-to-end solutions that allow for a seamless mobile shopping experience. Driven by mass contactless payment adoption, consumers are more likely than before to complete purchases through mobile storefronts and digital wallets. To create a dynamic end-to-end digital shopping experience, retailers now need to consider their mobile offering, and streamline the checkout process into as few clicks as possible.





WHATSAPP

Through its “add to cart” feature, secure mobile messaging app WhatsApp allows customers to order items within a single message from multiple participating businesses at once. The updated feature works with the service’s existing product catalog feature, which now allows users to browse multiple WhatsApp Business account listings, add them to their cart and then checkout within a single message. WhatsApp users are able to both search on their own, or message businesses directly to browse available products before completing any purchases.

youtube.com/watch

SHOPLOOP

Shoploop, from Google’s in-house startup incubator Area 120, is a mobile only application that allows users to discover new beauty and fashion products by scrolling through 90-second videos from creators. Along with providing direct access to product reviews from verified users, Shoploop users who wish to purchase an item are able to save it for later, or be directly taken to the merchant’s website to complete the checkout process.

blog.google/shoploop

THE LOBBY

Self-described as “TikTok meets QVC,” The Lobby is a video centric marketplace that has partnered with 30 direct-to-consumer brands and a roster of 40 influencers who create 60-90 second video featuring items from these brands. Consumers shopping within The Lobby app or website are able to add items to their cart while watching each video before completing their purchase.

fromthelobby.com

03

CHECKOUT & PAYMENTS

COMPLIANCE AUTOMATION

Within today's commerce landscape consumers have nearly unlimited options, creating a greater need for not only an accurate but secure and trustworthy checkout process every time. As sellers look to scale, tax complexities within both cross-border scenarios and domestic orders have created a need for automation and real-time access to data regarding a state's or country's marketplace facilitator legislation. Getting tax right on marketplace sales helps to not only reduce audit risk for sellers and marketplaces, but will also lessen cart abandonment rates by delivering accurate costs at checkout. To more accurately calculate and display taxes at checkout, retailers are investing in solution providers and third parties to enable a transparent and seamless experience for shoppers.

ZILLOW GROUP

As the online real estate marketplace Zillow Group grew from a Seattle-based startup to a nation-wide offering, its exposure to tax risk did as well. In order to process and manage tax complexity as well as compliance risk across its marketplace, Zillow Group partnered with Avalara, which provides an all-in-one software solution and back-end compliance team. By integrating the Avalara AvaTax product, which dynamically delivers sales and tax calculations based on the latest rules and rates in its tax engine, to a shopping cart or invoicing system at the time of purchase, Zillow Group is able to future proof its growth, while maintaining confidence in compliance across its marketplace.

avalara.com/zillow.html

HICKORY FARMS

To update its technical infrastructure across its website, catalogs and stores, specialty food gifts retailer Hickory Farms partnered with Avalara to alleviate sales tax complexity across food and nonfood items within its boxes, as well as ensure that no matter the channel, online, in-store or through catalog, the correct sales tax is applied at checkout every time. By combining Avalara's AvaTax product, which automatically updated shopping carts to reflect the accurate sales and use tax calculations, as well as Avalara's CertCapture, a scalable solution designed to securely collect, store and manage tax documents in the cloud and automates exemptions at checkout, Hickory Farms is able to provide each of its customers with an accurate checkout experience no matter their preferred shopping channel.

avalara.com/hickory-farms.html

THREADWALLETS

To keep pace with Amazon's ever-changing tax rates as well as marketplace facilitator laws, wallet and accessories retailer ThreadWallets expanded its relationship with Avalara beyond its AvaTax Shopify Plus subscription. With Avalara Extractor for Amazon and Avalara Returns, ThreadWallet is able to automate the complexities and risk of managing sales tax from multiple channels across numerous jurisdictions. Rather than manually pulling tax reports from Amazon and then processing them for filing, ThreadWallets is now able to automatically process filing returns across 44 states as well as the District of Columbia.

avalara.com/thread-wallets.html



03 CHECKOUT & PAYMENTS

WHAT THIS MEANS FOR SELLERS

- When researching marketplaces, understand how they or their third-party partners are delivering a streamlined checkout experience for consumers.
- Realize the opportunity in building customer loyalty by aligning with marketplaces that provide instant, accurate and upfront costs, and support an easy checkout experience no matter online, through mobile or on social platforms.
- To avoid risk, sellers must understand and apply marketplace-specific tax regulations depending on their customer's location, local laws, and fulfillment information. Third party automation can help with data aggregation and compliance management.

WHAT THIS MEANS FOR MARKETPLACES

- Tax responsibilities and underlying data are shared between sellers and the marketplace facilitator. Understand the geographic boundaries where you must act on behalf of your sellers, and where they must be able to accurately pull purchase data from your systems.
- Build consumer confidence and trust by supplying the tools and end-to-end solutions for a seamless digital payment experience, and the agile customer experience shoppers now expect
- Leverage native and progressive web apps to build direct relationships with customers at scale. Retain those relationships by supporting each step of the app-based shopping journey through in-app checkout, fulfillment status and ongoing personalized recommendations and offers.

AVALARA EXECUTIVES ON MARKETPLACE SUCCESS

How much are marketplaces set up to support seller success and growth?

“It really differs by marketplace. For example, we can see that Walmart has made an investment in seller success recently. There’s this new Listing Quality Dashboard that sellers have access to within the UI of Seller Center that provides recommendations on changes to help improve an item’s content and discoverability. This shift was hugely important for Walmart sellers because it provided transparency on where sellers could make easy improvements and increase sales. For marketplaces, it’s about guiding the sellers on how to be successful to drive sales growth.”



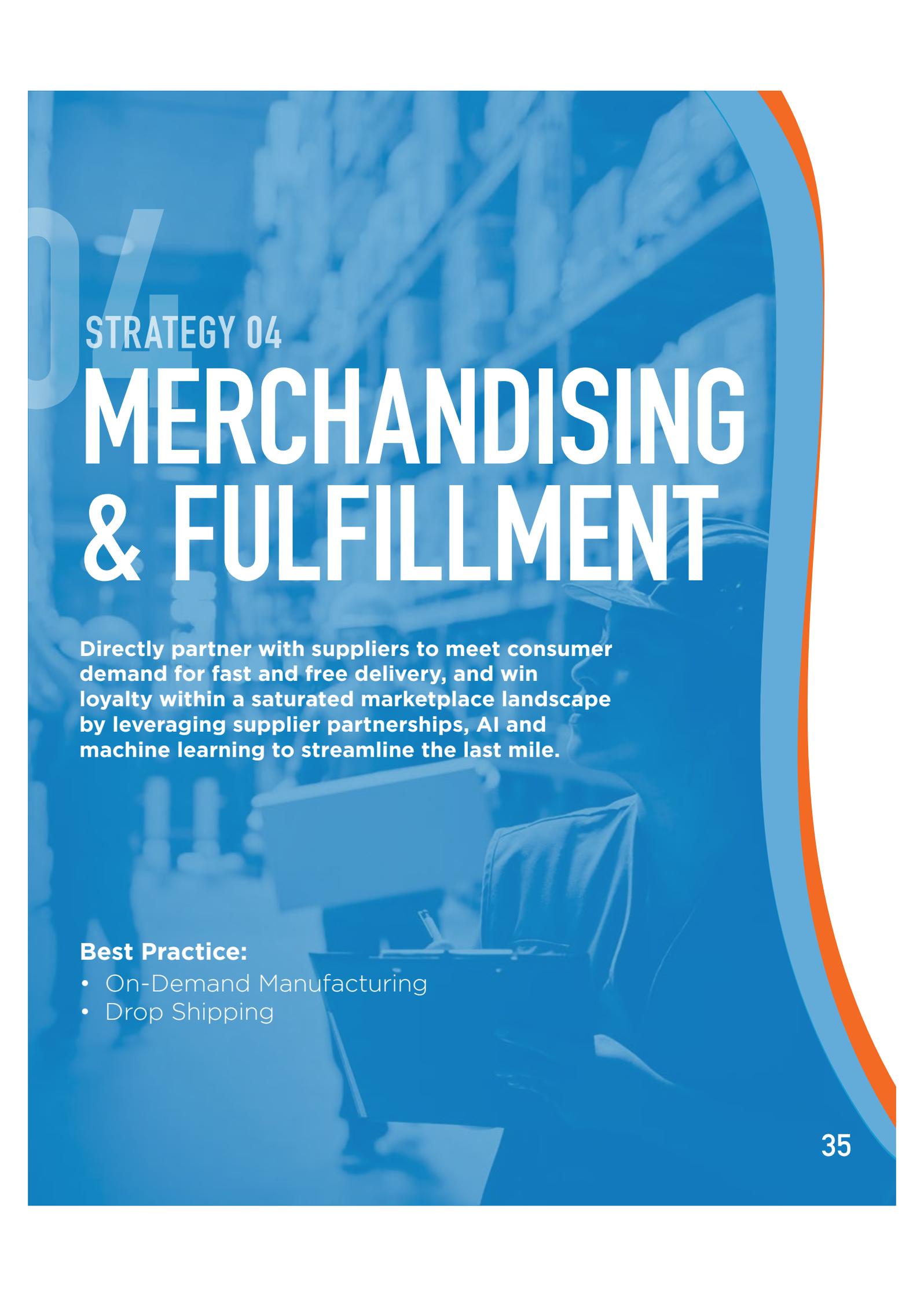
Linda Tom,
*Director of Ecommerce
Strategic Initiatives*

“In general, marketplaces aren’t well-equipped to provide recommendations. It’s not because they don’t want to, but because they don’t know who to share it with and how to get the information out there. When you have seven or eight million sellers that becomes a real challenge.”

“A lot depends on how much marketplaces are looking to attract small, unique sellers. The Etsys and the eBays of the world are a lot easier to navigate and use. The Walmarts and Amazons make it harder and a lot of product categories are gated now, meaning those options aren’t available to new sellers. eBay, for example, makes it easy to go from 0 to 100 listings. The real challenge is not 0 to 100 though, it’s 100 to 10,000.”



George Trantas,
*Sr. Director of Global
Marketplaces*



STRATEGY 04

MERCHANDISING & FULFILLMENT

Directly partner with suppliers to meet consumer demand for fast and free delivery, and win loyalty within a saturated marketplace landscape by leveraging supplier partnerships, AI and machine learning to streamline the last mile.

Best Practice:

- On-Demand Manufacturing
- Drop Shipping

STRATEGY 04

MERCHANDISING & FULFILLMENT

Consumers today have come to expect instant gratification, no matter where they shop. This demand for faster delivery times has created a new set of challenges for retailers to consider within the shopper journey. To achieve greater efficiency and sustainability, leverage AI and machine learning to determine the optimal method for fulfillment. Along with streamlining outgoing orders, these same solutions can be applied to reverse logistics as well, ensuring returns are routed appropriately to maximize value and limit waste.

Recent supply chain obstacles have highlighted the need for greater visibility throughout each stage of production, as entire operations from sourcing to fulfillment and returns have been impacted. In the pursuit of cost-effective and sustainable alternative practices, on-demand manufacturing, drop shipping, and intelligent fulfillment solutions are providing both seller and consumer value in the form of convenience, cost, and sustainability.



“Only a minority of brands and retailers have real-time supply chain inventory visibility. However, this visibility is essential to ensuring product availability, offering a variety of shipping choices and informing the customer of the product’s shipping status. In short — satisfying the customer.”

[Ashwani Nath, Vice President and global head of e-channel solutions for Geodis](#)



A recent Lehigh University survey of brands using dropshipping found that more than 80% of retailers said it increased their revenue, and more than 60% of retailers said it reduced their costs. Among manufacturers who fulfill dropship orders, 53% said their profit margins increased.

[Supply Chain Collaboration In Transformative Vertical Industries. Lehigh University, 2020](#)

04

MERCHANDISING & FULFILLMENT

ON-DEMAND MANUFACTURING

As supply chain delays become the cost of doing business, and consumers' expectations around instant fulfillment reset, brands are taking the opportunity to reformat the speed of production, and experimenting with made-to-order fulfillment. Small batch, limited edition collections are helping brands to optimize production costs and limit excess inventory, while encouraging a more thoughtful approach to retail. By gathering pre-emptive buy-in from consumers, brands are not only better able to eliminate unwanted resources, but also build and maintain a closer relationship with their highly engaged fans.





THE WYLDE X RÊVE EN VERT

When considering how best to support its factory and their workers, small batch organic cotton label The Wylde decided to offer a pre-order-based event, partnering with sustainable online marketplace Rêve en Vert to host the reserve-only collection. Items were made to order and shipped directly to customers from Bali. Before placing orders, The Wylde managed expectations by informing customers of the hand-made process involved in creating each piece, the 2-3 week production phase that would occur and an expected delivery timeline of six weeks in total.

reve-en-vert.com/brand/the-wylde

ULTRACOR

Luxury athleisure and fitness retailer Ultracor is focusing on made-to-order production as a means to take more direct control of their inventory, while reducing overproduction. Scaling its made-to-order-model, Ultracor has debuted new collaborations with fitness brands and retailers SoulCycle, Carbon38 and Bandier, bringing its custom clothes to an even larger audience. By focusing on in-house manufacturing and integrating intelligent technology, Ultracor has been able to quickly turn around its made-to-order items faster, while also making them more accessible to a wider array of consumer and partner brands.

ultracor.com

MODEL NO.

Made-to-order furniture brand Model No. is working toward a fully circular shopper experience. Each of Model No.'s pieces are fully customizable, from shape and color to size and budget. Using 100% renewable materials (including sustainably sourced hardwoods and 3D printed plant resins made from unused food crop), each custom piece is created on-demand and ships directly from the Model No. studio in Oakland, California to consumers' doors within weeks. By focusing on in-house manufacturing and integrating intelligent technology, Model No. has developed a responsive productive model that also contributes to zero manufacturing waste.

model-no.com

04

MERCHANDISING & FULFILLMENT

DROP SHIPPING

As established and emerging sellers look to test and scale their shipping and reverse logistic capabilities, the dropshipping model offers both accessibility and lower risk of excess inventory. Eliminating steps within a traditionally multi-touch process, the promise of dropshipping allows sellers to more easily, quickly and efficiently fulfill orders, in turn meeting consumers' need for fast, reliable and streamlined online deliveries and returns.



OBERLO

Dropshipping application Oberlo, a top-rated free app on ecommerce platform Shopify, offers businesses that select its free plan with access to 500 products, unlimited monthly orders, and a host of educational tools, including a dropshipping e-course, e-books, and other guides tailored to dropshipping newcomers. Along with a free plan, businesses can upgrade to access up to 30,000 products, bulk order capabilities, and real-time tracking.

oberlo.com/dropshipping

REI

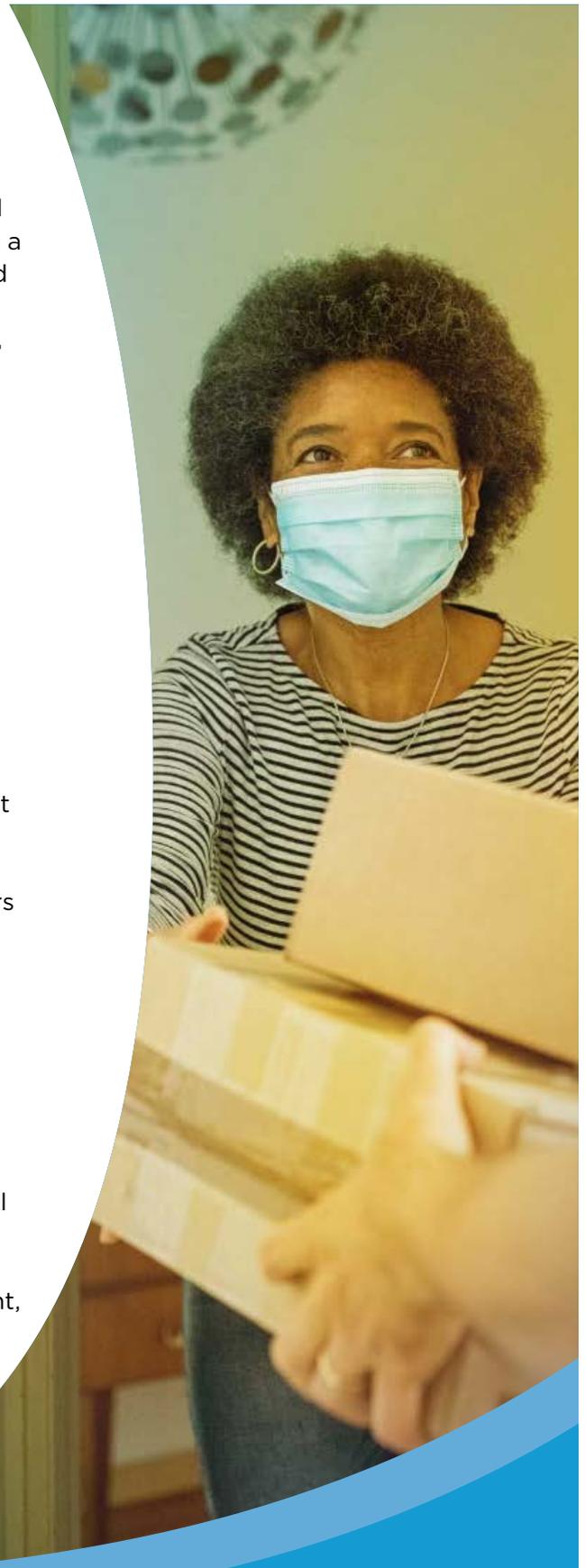
Outdoor gear and apparel marketplace REI Co-op is expanding its selection of gear and apparel online by incorporating a dropshipping opportunity for its brand partners. Danner, ECCO and Salomon are among the first brands to participate by shipping orders directly to customers. By incorporating dropshipping into its operations, and helping its brand partners to directly fill online orders, REI has been able to increase its assortment without having to fit additional inventory into its warehouses. Additionally, the outdoors co-op is now able to access insights about its customers based on the orders placed via its partners.

prn.to/2ADXIbP

FLEXE

On-demand warehousing and technology platform Flexe supports its customers with access to a network of warehousing operators capable of offering storage as well as fulfillment services for both direct-to-consumer and wholesale distribution models. By partnering with Flexe, customers are able to take a hybrid approach to fulfillment, mixing their own logistics networks with the Flexe platform, which allows for rapid expansion based on business growth, and shorter delivery times by positioning products closer to customers and final delivery destinations.

flexe.com



04 MERCHANDISING & FULFILLMENT

WHAT THIS MEANS FOR SELLERS

- Supply consumers and employees with real-time updates of supplies and delivery timeframes by adopting a cloud-first approach to operations.
- Inspire greater consumer confidence and trust by ensuring convenient return policies and operations.
- Optimize production costs and limit excess inventory by adopting small batch or limited-edition sales strategy.
- Generate consumer engagement and reduce excess inventory by gathering product buy-in prior to production or shipping orders.
- Increasingly, there is demand being put on sellers by marketplaces to ship if not fulfill orders within 24 hours in order to meet CX expectations. Partnerships with third-party providers who can automate that process is integral for sellers looking to scale and continue providing optimal CX.

WHAT THIS MEANS FOR MARKETPLACES

- Provide sellers and in turn customers with real-time visibility into order locations, shipping status, and delivery confirmation.
- Connect sellers with integratable applications and tools that offer drop shipping capabilities.
- Offer customers reporting on where their items are located in fulfillment and distribution centers.

POV FROM INDUSTRY EXPERTS



BIGCOMMERCE
Sharon Gee
*Sr. Director &
GM of Omnichannel*

Helping merchants sell everywhere and fulfill everywhere, BigCommerce is a direct-to-consumer provider of sites that connects sellers to other channels and marketplaces. Merchants that utilize BigCommerce's platform are able to easily add products across any channel, share that product data with the channels they're interested in advertising or selling on via native or partner-powered integrations, and then automatically route orders to fulfillment partners all from within their individual BigCommerce portal.

How shifts within the marketplace landscape are impacting strategic needs:

I think what's interesting about the marketplaces is what's a marketplace anymore? It was very clear last year. It was eBay. It was Walmart. It was Amazon. Now, all of the biggest marketplaces are also the biggest advertisers on the platform, and so they're actually advertising platforms. We're seeing this huge convergence happening.

There's this huge focus now on your catalog as a merchant powering both your ads as well as your listings on a channel. That's different than it used to be. Your ads feed used to be totally different than your product feed that helps list your products. That's not the case anymore. We're seeing a singularity of marketplaces and advertisers place a huge focus on enhanced catalog data. That means data with better attributes.

There is also a huge focus on infrastructure and fulfillment. You have to make sure that wherever you're selling, if you can't fulfill today, you're out of luck. You have to make sure your catalog's right. You have to make sure that you have a partner, or you can fulfill if you're doing your own fulfillment today everywhere in the US, or you need to work with a partner who can do that for all of your digital channels.

Now, all of the biggest marketplaces are also the biggest advertisers on the platform, and so they're actually advertising platforms.

POV FROM INDUSTRY EXPERTS

The four pillars merchants need to ensure omnichannel success:

Everybody's trying to compete around what I would call the four pillars of omni success—channel strategy, marketing, operations and fulfillment. First, you have to know where you want to sell. Do you use your marketplaces in order to list products that you want to turn out of your inventory very quickly, but all of your hero SKUs like when you do new drops of new product, does that all go on your direct to consumer because those are the products that everybody wants that you're marketing on your Instagram? Then, do you use things like Amazon and eBay for working through that leftover inventory from last year, or do you take a strategy where you only put four SKUs on the channel that are your heroes that you'll never sell out of, which means you're never going to get charged long-term storage fees on them because you're always moving through that inventory if you put that inventory in FBA?

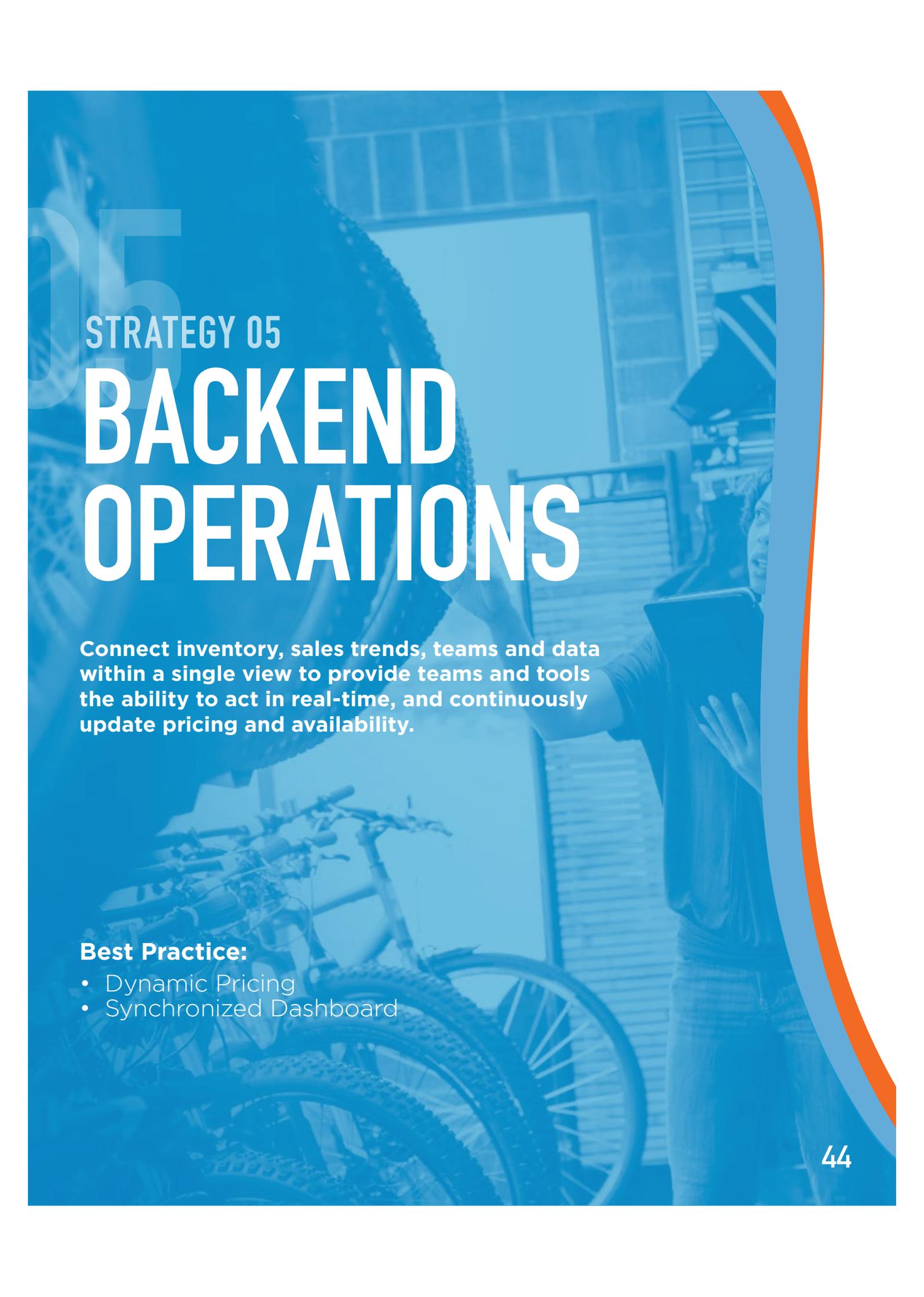
Second, is the convergence of advertising and marketplaces. Every advertiser is now a marketplace, every marketplace is now an advertiser. How and where are you spending your marketing budget? The third thing is product data. If you can't get your product data to the channels, you're not going to have good ROAs, you're not going to have good discoverability. Number four is when you actually receive an order, do you have the inventory order management to ensure you have the product in stock and the fulfillment capabilities in place to meet shoppers' expectations?

The role of marketplaces within a broader omnichannel strategy:

The answer is they play a huge and important part, because in a post-COVID world, that's where the eyeballs are. You must be able to access shoppers where they are, and you want that shopper. An omnichannel strategy is to have a consistent brand experience across all of the channels, no matter where the shopper is. To access them, thrill them, meet their expectations, so that they become loyal to you as a brand, and then buy from you again. The challenges of marketplaces, of course, is that all of the shopping happens on them, they're not brand loyal.

What role do marketplaces play? That all depends on what is your strategy as a brand? Where do you sell? Who do you identify with? What products do you sell? Do you have huge amounts of SKUs? Do you have tons of volume and you have really low price tags? The short answer would be it depends on your channel strategy, which depends on what you sell.

Everybody's trying to compete around what I would call the four pillars of omni success—channel strategy, marketing, operations and fulfillment.

The background of the page is a blue-tinted photograph of a bicycle shop. In the foreground, several bicycles are parked. In the background, a person is visible, holding a tablet and looking at it. The overall scene is brightly lit, suggesting an indoor or well-lit outdoor space.

STRATEGY 05

BACKEND OPERATIONS

Connect inventory, sales trends, teams and data within a single view to provide teams and tools the ability to act in real-time, and continuously update pricing and availability.

Best Practice:

- Dynamic Pricing
- Synchronized Dashboard

STRATEGY 05

BACKEND OPERATIONS

Digital commerce operations have become increasingly complex as channels expand and audiences grow globally. At the same time, these shifts offer unprecedented opportunity. To fully realize new advantages, organizations must be able to seamlessly connect their infrastructure, workforce and partners through data. By breaking down information silos, delivering actionable insights in real time and enabling better collaboration across all channels and departments, retailers are better equipped to create exceptional customer experiences.

By focusing on key points with the retail experience—omnichannel operations, real-time transparency, and flexible pricing—businesses stand to deliver a truly connected customer experience from discovery through transactions and fulfillment, all while staying ahead of performance issues to better delight both shoppers and employees.

“The accuracy of inventory needs to be really strong. If you’re taking orders on the website for items that you don’t have the inventory for, because the inventory is not accurate or it’s in the wrong location, there will be a lot of work on the [packing] floor that can’t get through the next phase of the process ... everything gets held up.”
[Adrian Kumar, Global Head of Operations, Science & Analytics, DHL Supply Chain](#)

“The fastest way to generate demand is with pricing. When a product’s price goes down, sales go up. Considering price elasticity adds some complexity. If a product is elastic, price changes have a higher impact on demand. If inelastic, price changes have a relatively low impact. An AI-powered price optimization solution effectively calculates millions of elasticity values and dynamically adapts as demand shifts. The result: more value generation, improved forecasting capabilities and the optimal balance of price increases and decreases to drive profitable demand.”
[“Do retailers need to make price optimization a priority right now?” RetailWire, 2020](#)

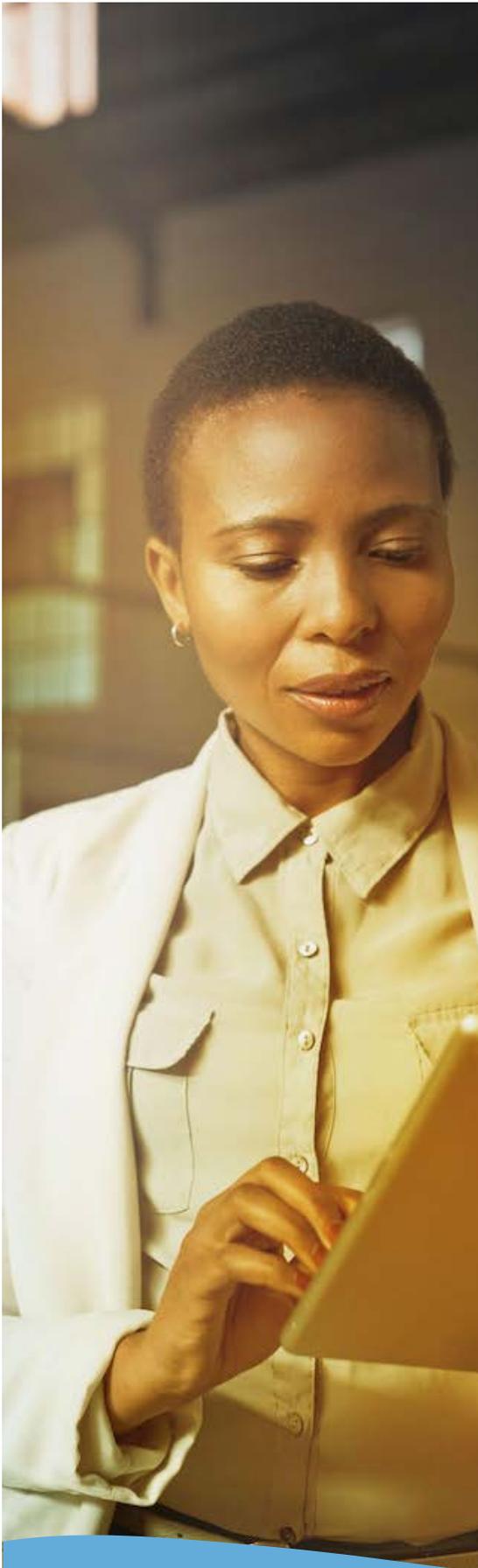
05

BACKEND OPERATIONS

DYNAMIC PRICING

As companies leverage real-time data about a variety of customer behaviors—purchase history, preferences and loyalty—alongside marketplace factors like supply and demand and seasonality, there is the potential to translate this information into dynamic pricing models. On both a personal, local and macro level, businesses can begin to influence and incentivize spending with flexible offers and promotions.





THE LIST

Online marketplace The List, provides customers with instant access to one-of-a-kind products and featured dynamic pricing based on demand. Items for sale debut each day at 9.30 a.m., New York time at market price, but then are market up or down depending on demand. Looking ahead, The List plans to use its data to provide brands and retailers listed on its platform with real-time access to consumer behavior trends, and help them to be in a position to make better-informed, more sustainable buying decisions.

gothelist.com

BOSE

With many people forced to work from home during the 2020 pandemic, audio equipment brand Bose created a discount campaign to support consumers with noisy environments. Called Noise-O-Meter, the program translated home environment sound levels from decibels to discounts on a model of Bose's noise-cancelling headphones—so, the louder a consumer's home, the bigger the price reduction. To make this conversion, Noise-O-Meter leverages a unique algorithm that can convert ambient sounds to data.

bose.life

PRICEFX

An SAP-endorsed app, Pricefx's Optimized Dynamic Pricing solution, once integrated, is able to transform data into optimal pricing insight to improve profitability for online businesses and merchants. The pricing software company's app automatically calculates prices in real time, based on a business's predefined rules and marketplace fluctuations. By automating price changes and offers, the Optimized Dynamic Pricing allows merchants to ensure their listings are always in tune with marketplace demand and that their prices reflect that.

pricefx.com

05

BACKEND OPERATIONS

SYNCHRONIZED DASHBOARD

An omnichannel retail system that enables an organization to flex their operations is paramount to account for all the ways customers expect to shop today. To connect processes across multiple channels and platforms, and efficiently manage multiple actions—inventory, customer queries, and fulfillment—companies need to be working from a central control center. Through this single dashboard view, companies are able to ensure each marketplace reflects the correct listings and information, customers are selecting available products, and warehouses have access to the correct inventory each time, in real time.



JD.COM

China's largest online retailer JD.com is partnering with more than 200 luxury brands including Prada and Miu Miu to provide them with its omnichannel solutions spanning synchronized online and offline inventory and incorporating each brand's latest individual campaigns. Using JD's collected consumer data, brand partners will gain a better understanding of their shopper, and be able to provide them with recommendations that align with their preferences. Additionally, JD.com will be able to help each brand to design and customize their online stores, providing brands greater control over the online experience while benefiting from the consumer reach JD.com offers.

jd.com/home

OTRIUM

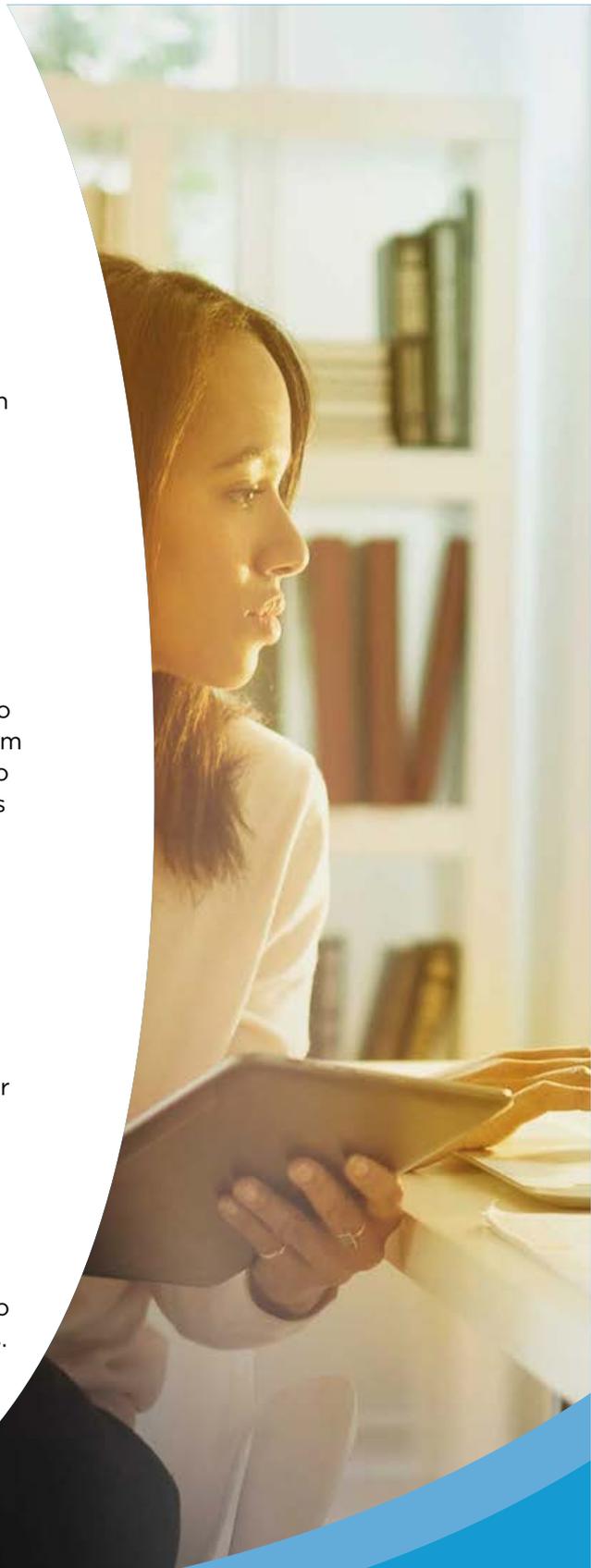
Otrium is an online fashion marketplace that sells end-of-season collections from retail brands that would otherwise go unsold. Rather than having to destroy excess inventory, Otrium helps brand partners, mainly in fast fashion and streetwear, to list their unsold items on Otrium's marketplace, where brands are then able to manage their own outlet, set pricing, and access insights on the consumers shopping their brand via Otrium.

otrium.com

BURROW x BIGCOMMERCE

To evolve from a single product, single channel, single vendor business to a multi-product, multi-channel, multi-vendor business, furniture brand Burrow partnered with ecommerce company BigCommerce to support their expanding fulfillment needs. Once an order is placed, BigCommerce is able to communicate that to Burrow and its merchants, update available inventory, fulfill that order across multiple warehouses, and communicate expected delivery windows to customers as well as real-time updates on an item's progress. By connecting all of the processes that occur in the backend once a customer completes a purchase, BigCommerce is able to streamline Burrow's operations, while also ensuring a better customer experience.

bigcommerce.com/burrow



05 BACKEND OPERATIONS

WHAT THIS MEANS FOR SELLERS

- Mitigate the operational costs it takes to collect and manage product data from across multiple marketplace with a Product Inventory Management (PIM) solution.
- Leverage a PIM to automatically consolidate data into one spot, and then automatically ensure each product across each marketplace has the correct data, from imagery and pricing to inventory and descriptions.
- Optimize collected data and algorithms to consistently provide consumers with the best price, remain competitive against similarly listed products, and offer deals at the opportune moment.
- Understand how product data for each listing is being continuously updated for accuracy across all marketplace locations. Consider how tools or vendors that automate this process can be leveraged for greater convenience and overall customer satisfaction through correct inventory management, payment handling and fulfillment.

WHAT THIS MEANS FOR MARKETPLACES

- Offer services that facilitate fulfillment transactions including warehousing, last-mile delivery, return logistics and customer service management.
- Create an API and developer kit that makes it easy for third-party solution providers to plug into your platform and augment capabilities and operations for sellers
- For marketplaces, providing third-party sellers with access to technology integrations to improve each stage of the customer journey is key.

AVALARA EXECUTIVES ON MARKETPLACE SUCCESS

To both remain competitive and meet consumer expectations, how can sellers create a successful marketplace strategy?

“Success really depends on the platform. How to succeed on Amazon looks different than Walmart looks different than eBay. It’s hard to generalize an all-encompassing strategy, but I think that’s important to know. If you’re a seller and want to succeed, you need to know the nuances for each marketplace and make it work. For sellers, if they’re strategizing how to tackle this, they should be focusing on the endgame for them. That end goal ultimately determines which marketplaces they should connect on. I personally don’t suggest going to all of them because it’s quite expensive to connect to everyone.”

“On a small level, sellers can do some micro testing on the marketplaces and build. This is when sellers look at adapting faster and getting the next product out. They invest in A+ content, advertising, and customer service. When sellers are serving the customers, it’s always about making sure that the customers are happy. It’s more about the periphery of all of that rather than what they’re selling.”

“Sellers need to reevaluate their business every three months to keep pace with marketplace changes. If they don’t change with the marketplace, they lose. If you kept your same listing for five years, I guarantee you lost business.”



George Trantas,
*Sr. Director of Global
Marketplaces*

STRATEGY 06

ANALYTICS & REPORTING

Automated services and algorithm-based tools necessary for capturing consumer insights are main considerations in any marketplace strategy. As a merchant looks to scale, these tools and third-party vendors will help to update and refine existing product, sales and marketing efforts, as well as inform ongoing innovation, and allow for continuous CX improvement.

Best Practice:

- Responsive Refinement
- Informed Innovation

STRATEGY 06

ANALYTICS & REPORTING

When developing a marketplace strategy, the ability to easily and efficiently access both overarching and direct consumer data and insights from every marketplace or sales channel a merchant is utilizing should be a prioritization. In order to keep pace with consumer's digital expectations from discovery through fulfillment, and deliver on excellence across all channels and each transaction, sellers must be able to both access and react to insights in real time. This ability comes to life through third-party vendors and tools, which, once integrated into a merchant's product data hub, are able to automate all backend operations as well as provide the necessary consumer insights to continue improving and innovating around their consumer's marketplace experience.

“Engaging with any new marketplace has a cost in terms of time and energy spent, no matter what software or services you may be using to streamline your efforts. Make sure you regularly evaluate your performance and return on each channel, and adjust accordingly.”

[Sean Flannagan. Founder of A Lively Experiment](#)

“Test everything. Test new keywords, new audiences and new promotions. If you implement a culture of continuous testing, you will see better results, as you will be optimizing for best results. Just make sure analytics is ready to analyze those results. Depending on your budget, you may be able to read results within three days, which is much faster than traditional advertising.”

[Anna Kayfitz. CEO of data analytics company StrategicDb](#)

06

ANALYTICS & REPORTING

RESPONSIVE REFINEMENT

Rather than taking a long-term view of project planning, retailers and brands are taking a dynamic approach to their business: updating, testing, and refining existing processes across the entire organization to respond to nuanced marketplace needs and opportunities in real time.



SHOPIFY

Rather than using its aggregated data for its own benefit, Shopify is helping its community of sellers continuously refine their traffic and advertising strategies. Thanks to its symbiotic relationship with its sellers, if Shopify notices that a merchant's traffic is disproportionately being driven through Pinterest, it will suggest or advise that merchant to activate a Pinterest for Shopify channel and more heavily push product through that channel. Similarly, if Shopify sees that Instagram is converting really well as a source, they may instead encourage a merchant to buy more ads on Instagram for greater return on their investment.

shopify.com

WALMART

With its content quality dashboard, Listing Quality, Walmart Marketplace is providing sellers with access to how their items are performing and recommendations on how to optimize their listings on Walmart. Along with a downloadable Listing Optimization Guide, the free portal provides sellers with a how-to guide in applying optimization rules, including category and keyword selection, detailed product descriptions, reviews and competitive pricing. A free quality score can be provided for each item, and is based on four factors, including content and discoverability, offer, ratings and reviews, and post-purchase quality. The higher the score, the better an item's potential for being noticed and generating sales.

marketplace.walmart.com/listing-quality

INSTACART

To alleviate ongoing supply chain issues due to Covid-19, digital grocery delivery and pickup platform Instacart is helping CPG companies to better gauge shifts in consumer demand. For CPG partners that use Instacart's platform in a paid search capacity, the platform has begun sharing its real-time inventory figures from across the 25,000 grocery stores within North America that it completes deliveries within, helping food manufacturers to quickly realize which products are running low, and how people are filling their shopping carts.

instacart.com/partners

06

ANALYTICS & REPORTING

INFORMED INNOVATION

Along with building on and optimizing existing processes, marketplace insights can be leveraged to confidently launch new, complementary services and develop product strategies to identify and match unmet consumer needs. Informed innovation involves launching different projects at once, A/B testing alternative strategies, and learning from in-the-moment marketplace feedback. With iterative innovation, retailers can improve their processes in a low-cost and time-effective manner, rather than perfecting ideas in a vacuum without customer buy-in.



AWS X ZALANDO

In hopes of continuously improving customer experience, European ecommerce company Zalando is adopting Amazon Web Services cloud solution to optimize critical business functions such as supply chain management, pricing, marketing, and customer care. By employing Amazon SageMaker to build, train and deploy machine learning models quickly, and Amazon EMR to capture, store, and analyze large volumes of data, Zalando's engineering teams are using customer purchase data to create personalized shopping features like fit avatars and individual product and size recommendations, as well as predicting a customer's future outfit preferences.

aws.amazon.com, zalando.co.uk

ADORE ME

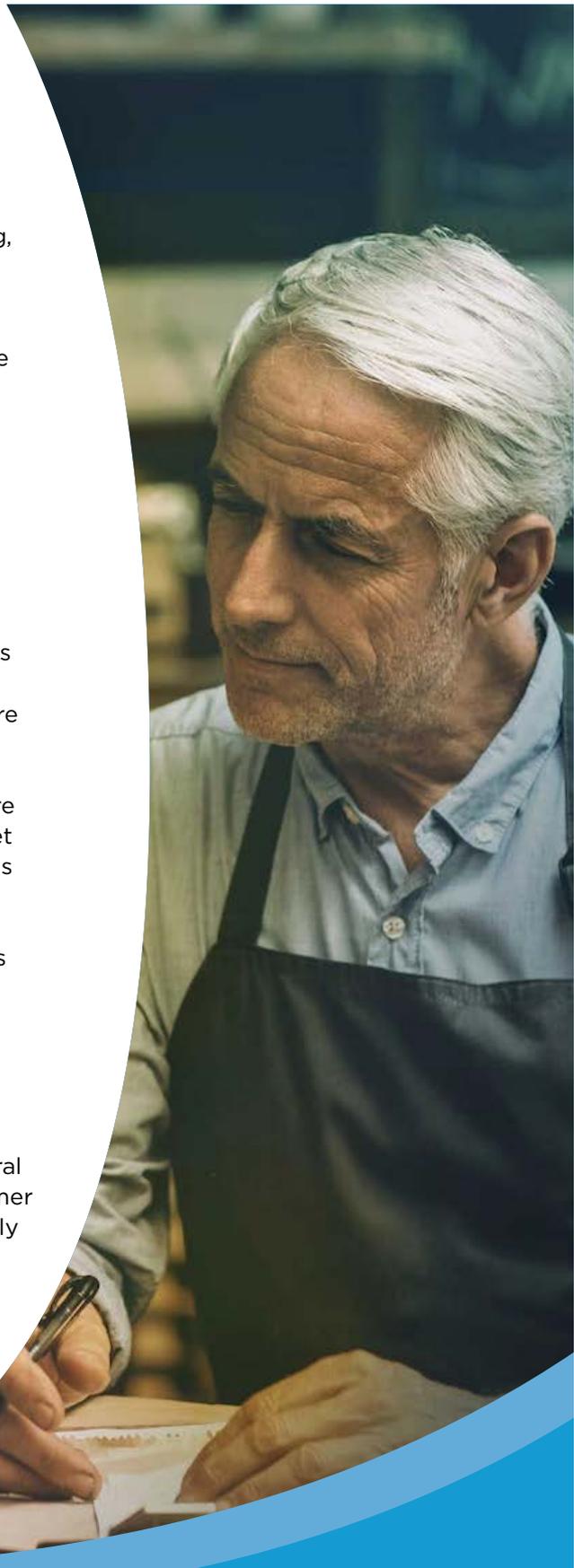
To cater to customers throughout all of the stages of their lives, subscription-based DTC intimates company Adore Me is piloting six new brands. While each of these satellite brands have their own websites and branding, they all leverage Adore Me's established operating system, as a way to meet a new customer at a different price point. Access to these existing internal resources like logistics centers and tech infrastructure has allowed for each brand to quickly conduct its own market research and then ultimately launch. Designed to be tested as they scale, each of the brands are being fine-tuned through trial and error, as Adore Me learns how to best fit consumer acquisition models to each brand based on tone, price points and channel mediums.

adoreme.com

OCEAN SPRAY

With its Lighthouse Innovation Incubator program, agricultural cooperative Ocean Spray is moving into the direct-to-consumer health and wellness space, with four new test brands currently on the market. While it typically takes five months to move from concept to market test, Ocean Spray doesn't expect all four brands to become long-term successes, and is instead tracking which one or two brands consumers respond positively to. Moving beyond the Ocean Spray brand, these test brands provide an opportunity to tap into new categories, and connect with a new consumer as well.

oceanspray.com



06 ANALYTICS & REPORTING

WHAT THIS MEANS FOR SELLERS

- Marketplace insights can be leveraged to confidently launch new, complementary services and develop product strategies to identify and match unmet consumer needs.
- No launch (store, product, team) has to be perfect. Empower teams to “soft” launch new processes and learn from mistakes. Adopt an “always be testing” mindset.
- While marketplaces can offer a wealth of information, sellers must focus on reviewing the most actionable, important data that will directly impact consumers’ experience and overall selling success.

WHAT THIS MEANS FOR MARKETPLACES

- Continuously reinvent service offerings to better support brands and retailers. Create forums for sellers to share best practices, recommendations and suggestions. Leverage these insights as well as competing marketplace operations to continuously test and refine capabilities ranging from payment and security to detailed product tagging and shopability.
- Marketplaces need to provide easy access to data at each step of the consumer’s journey path, including search, purchase, and fulfillment, so that sellers can optimize each stage and use data for other reporting requirements like compliance.

POV FROM INDUSTRY EXPERTS



BRIGHTPEARL
Chloe Fischer
Channel Account
Manager

Brightpearl is a cloud-based retail operations platform for omnichannel ecommerce merchants that handles the back office for brands, retailers, wholesalers, and distributors. Essentially, any operational process that happens after an order is placed gets touched and automated by Brightpearl, including inventory and order management, CRM, vendor management, purchasing, accounting, reporting, warehousing, fulfillment, etc. By leveraging Brightpearl's powerful automation engine and best-in-class integrations to a number of selling channels (offered out of the box), merchants are able to reduce manual errors, get orders out the door faster, and delight customers.

Why it's critical to consider the end-to-end customer experience:

Regardless of the selling channel, one of the most important factors is to consider the end-to-end customer experience. Many merchants make the mistake of only considering the customer experience from the time that the merchant is attracted to the site until they check out- so they think about things like customers evaluating products, putting items into their cart, and checking out, but they fail to consider the back office. Research tells us that 77% of all negative reviews left for ecommerce brands are directly tied to back office operations—issues like late deliveries, being shipped the wrong item or wrong size, poor customer service, complicated returns and refunds. If we want to truly provide a best-in-class selling experience, we have to get the back office right.

Research tells us that 77% of all negative reviews left for ecommerce brands are directly tied to back office operations—issues like late deliveries, being shipped the wrong item or wrong size, poor customer service, complicated returns and refunds.

Our Rise of the Review Culture research shows 89% of consumers will stop doing business with a brand after just one bad experience, leaving very little room for error. Everything that happens after the buy button is the consumer's last experience of the brand. We can all be fickle shoppers, so if you only get one chance to deliver a positive experience, then it is worth spending time getting it right.

In order to offer the best experience to customers, it's crucial to have a system in place to manage listings, inventory, orders, and shipments in the same place you manage your other sales channels. With all your information in one place, you have the ability to communicate throughout the post purchase journey by sending automated updates to shoppers, not only improving your seller rating, but also creating a better customer experience. Your customers expect a joined-up and consistent experience, and you need both efficiency and complete visibility across all of your channels, especially when it comes to keeping your inventory in sync.

POV FROM INDUSTRY EXPERTS

Why back office operations are critical for success:

While terms like “inventory management” or “order processing” may not be the sexiest aspects of ecommerce, the importance of a back office system that manages what happens after an order is placed can quite literally make or break a business.

Make sure that you have scalable infrastructure that can cope with increasing order volume or an influx during peak seasons. Especially if a merchant sells omnichannel, they need to reduce the likelihood for human error in the back office as much as possible. Errors can come from mis-picking or packing in the warehouse, the wrong information being entered into systems, manual processes with more room for human error, and generally having disparate information that isn't easily accessible. If you can automate back office processes, and eliminate areas of high human contact with orders, you can reduce the amount of errors that occur in the back office

How automation plays an increasingly important role in customer experience:

Automation is absolutely crucial for growing businesses. Minimizing errors through automating non-revenue bearing, repetitive tasks, allows efforts to be steered towards more complex orders. It also frees up time and money to invest more into resources like marketing and acquisition efforts to grow the business.

At Brightpearl, we always say “automate the ordinary, act on the exceptional.” When we're able to free up business owner and employee time by hiring a technology to do the redundant aspects of the job, we can make sure that orders flagged for manager reviews or an important conversation with a loyal customer happens more quickly, with a more personalized touch.

At Brightpearl, we always say “automate the ordinary, act on the exceptional.”

KEY TAKEAWAYS

1 SEO, DISCOVERY & RESEARCH

Consumers are increasingly turning to marketplaces as the first step in their online search. As these marketplaces partner with and evolve into advertising platforms themselves, merchants' quality of data provided to each marketplace will increasingly determine their discoverability. To ensure their listings are appearing at the right time and through the right channels, a merchant's omnichannel marketplace strategy starts with ensuring product data and category tags are continuously updated across all channels and marketplaces.

2 PRODUCT PAGE EXPERIENCE

Brand integrity no matter what channel consumers find a merchant on is integral to capturing consumer interest and standing out within a crowded landscape. A seller's content strategy should be specific to each marketplace or channel they use in order to create a product page experience that reflects their brand, and also provides the information or product visualization that consumers expect while shopping online today.

3 CHECKOUT & PAYMENTS

For shoppers, trust and confidence in a marketplace hinges on that marketplace's ability to provide an accurate and secure checkout experience. To deliver on this consumer demand, merchants and marketplaces alike must be able to navigate the numerous tax complexities layered into the checkout process, either through a solution provider partnership or software integration.

4 MERCHANDISING & FULFILLMENT

Fulfillment capabilities are the battleground for consumer loyalty today. The demand for same day delivery across the marketplace landscape means merchants can no longer rely on traditional fulfillment strategies. From drop shipping to dark stores, nano delivery and demand-based manufacturing, a merchant's ability to process and fulfill orders in real time is no longer a nice to have but a need to have.

5 BACKEND OPERATIONS

Whether their channel strategy involves multiple marketplaces or only one or two, a merchant's ability to deliver exceptional customer service relies on the connectivity of their operations. From the moment a customer selects the buy button, until they receive their order, a merchant's ability to automate, synchronize and modify everything from inventory and fulfillment routes to delivery times ensures every customer experience is optimized every time.

6 ANALYTICS & REPORTING

To evolve at the pace of the marketplace and respond to online shopper expectations, merchants need to be actively aware of marketplace trends and changes as well as consumers' needs. To do so, merchants not only need access to data that shows who their customer is, where they are shopping from, how they are interacting with their brand and what type of experience they had per sales channel but merchants also need to be able to convert those findings into actionable insights. By partnering with the vendors and tools who automate this process, merchants looking to scale their business will be able to continuously innovate their customer's experience, as well as make more informed business decisions.

ABOUT AVALARA

Avalara helps businesses of all sizes get tax compliance right. In partnership with leading ERP, accounting, ecommerce, and other financial management system providers, Avalara delivers cloud-based compliance solutions for various transaction taxes, including sales and use, VAT, GST, excise, communications, lodging, and other indirect tax types. Headquartered in Seattle, Avalara has offices across the U.S. and around the world in Brazil, Europe, and India. More information at avalara.com

ABOUT PSFK

PSFK is the world's leading business intelligence platform for innovation in retail. Across every major industry vertical, we help the most progressive brands identify & leverage new customer experience opportunities through a mix of trend reports, immersive events, insight-rich content, ideation workshops and on-demand research services.

psfk.com

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